



## /FIRST ADD -- DCTH004D -- Marriott International Earnings/

Feb 08, 2007 /PRNewswire via COMTEX News Network/ --

MARRIOTT INTERNATIONAL, INC.  
CONSOLIDATED STATEMENT OF INCOME  
(in millions, except per share amounts)

	Sixteen Weeks Ended		Percent Better/ (Worse)
	December 29, 2006	December 30, 2005	
REVENUES			
Base management fees	\$173	\$155	12
Franchise fees	121	103	17
Incentive management fees	96	69	39
Owned, leased, corporate housing and other revenue(1)	354	361	(2)
Timeshare sales and services(2)	526	413	27
Cost reimbursements(3)	2,528	2,423	4
Synthetic fuel	63	117	(46)
Total Revenues	3,861	3,641	6
OPERATING COSTS AND EXPENSES			
Owned, leased and corporate housing - direct(4)	302	298	(1)
Timeshare - direct	393	357	(10)
Reimbursed costs	2,528	2,423	(4)
General, administrative and other(5)	237	196	(21)
Synthetic fuel	96	146	34
Total Expenses	3,556	3,420	(4)
OPERATING INCOME	305	221	38
Gains and other income(6)	4	84	(95)
Interest expense	(38)	(37)	(3)
Interest income	11	14	(21)
Equity in earnings(7)	1	18	(94)
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST	283	300	(6)
Provision for income taxes	(63)	(76)	17
Minority interest	-	13	(100)
NET INCOME	\$220	\$237	(7)
EARNINGS PER SHARE - Basic(8)	\$0.56	\$0.57	(2)

EARNINGS PER SHARE - Diluted(8)	\$0.52	\$0.54	(4)
	=====	=====	
Basic Shares(8)	394.8	414.6	
Diluted Shares(8)	419.9	441.5	

- (1) Owned, leased, corporate housing and other revenue includes revenue from the properties we own or lease, revenue from our corporate housing business, land rent income and other revenue.
- (2) Timeshare sales and services includes total timeshare revenue except for base fees, cost reimbursements, real estate gains and joint venture earnings. For 2006 only, timeshare sales and services includes gains on the sale of timeshare note receivable securitizations of \$37 million.
- (3) Cost reimbursements include reimbursements from lodging properties for Marriott funded operating expenses.
- (4) Owned, leased and corporate housing - direct expenses include operating expenses related to our owned or leased hotels, including lease payments, pre-opening expenses and depreciation, plus expenses related to our corporate housing business.
- (5) General, administrative and other expenses include the overhead costs allocated to our lodging business segments, and our corporate overhead costs and general expenses.
- (6) Gains and other income includes net gains on the sale of real estate, gains on note sales or repayments (except as noted below), gains on the sale of joint ventures, income from cost method joint ventures and net earn-out payments associated with our synthetic fuel operations, and for 2005 only, timeshare note securitization gains. Timeshare note securitization gains for 2005 totaled \$40 million. See footnote 2 for information regarding timeshare note securitization gains for 2006.
- (7) Equity in earnings includes our equity in earnings of unconsolidated joint ventures.
- (8) All share and per share amounts reflect the June 9, 2006, two-for-one stock split effected in the form of a stock dividend.

	Fifty-Two Weeks Ended		Percent Better/ (Worse)
	December 29, 2006	December 30, 2005	
REVENUES			
Base management fees	\$553	\$497	11
Franchise fees	390	329	19
Incentive management fees	281	201	40
Owned, leased, corporate housing and other revenue(1)	1,119	944	19
Timeshare sales and services(2)	1,577	1,487	6
Cost reimbursements(3)	8,075	7,671	5
Synthetic fuel	165	421	(61)
	-----	-----	
Total Revenues	12,160	11,550	5

OPERATING COSTS AND EXPENSES

Owned, leased and corporate housing -			
direct(4)	936	778	(20)
Timeshare - direct	1,220	1,228	1
Reimbursed costs	8,075	7,671	(5)
General, administrative and other(5)	677	753	10
Synthetic fuel	241	565	57
	-----	-----	
Total Expenses	11,149	10,995	(1)
	-----	-----	

OPERATING INCOME 1,011 555 82

Gains and other income(6)	59	181	(67)
Interest expense	(124)	(106)	(17)
Interest income	45	79	(43)
Reversal of (provision for) loan losses	3	(28)	111
Equity in earnings(7)	3	36	(92)
	-----	-----	

INCOME FROM CONTINUING OPERATIONS

BEFORE INCOME TAXES AND MINORITY INTEREST	997	717	39
Provision for income taxes	(286)	(94)	(204)
Minority interest	6	45	(87)
	-----	-----	

INCOME FROM CONTINUING OPERATIONS	717	668	7
Discontinued operations, net of tax	-	1	(100)
Cumulative effect of change in accounting principle, net of tax(8)	(109)	-	*
	-----	-----	

NET INCOME \$608 \$669 (9)

EARNINGS PER SHARE - Basic(9)

Earnings from continuing operations	\$1.77	\$1.55	14
Earnings from discontinued operations	-	-	*
Losses from cumulative effect of change in accounting principle	(0.27)	-	*
	-----	-----	
Earnings per share	\$1.50	\$1.55	(3)
	=====	=====	

EARNINGS PER SHARE - Diluted(9)

Earnings from continuing operations	\$1.66	\$1.45	14
Earnings from discontinued operations	-	-	*
Losses from cumulative effect of change in accounting principle	(0.25)	-	*
	-----	-----	
Earnings per share	\$1.41	\$1.45	(3)
	=====	=====	

Basic Shares(9) 404.1 432.7  
Diluted Shares(9) 430.2 462.3

\* Percent cannot be calculated.

- (1) Owned, leased, corporate housing and other revenue includes revenue from the properties we own or lease, revenue from our corporate housing business, land rent income and other revenue.
- (2) Timeshare sales and services includes total timeshare revenue except for base fees, cost reimbursements, real estate gains and joint venture earnings. For 2006 only, timeshare sales and services includes gains on the sale of timeshare note receivable securitizations of \$77 million.
- (3) Cost reimbursements include reimbursements from lodging properties for Marriott funded operating expenses.
- (4) Owned, leased and corporate housing - direct expenses include operating expenses related to our owned or leased hotels, including lease payments, pre-opening expenses and depreciation, plus expenses related to our corporate housing business.
- (5) General, administrative and other expenses include the overhead costs allocated to our lodging business segments, and our corporate overhead costs and general expenses. Expenses in 2005 included a \$94 million charge associated with the CTF transaction as well as charges totaling \$30 million associated with our bedding incentive program.
- (6) Gains and other income includes net gains on the sale of real estate, gains on note sales or repayments (except as noted below), gains on the sale of joint ventures, income from cost method joint ventures, net earn-out payments associated with our synthetic fuel operations and for 2005 only, timeshare note securitizations gains. Timeshare note securitizations gains for 2005 totaled \$69 million. See footnote 2 for information regarding timeshare note securitization gains for 2006.
- (7) Equity in earnings includes our equity in earnings of unconsolidated joint ventures.
- (8) Cumulative effect of change in accounting principle, net of tax is associated with the adoption, in the 2006 first quarter, of Statement of Position 04-2, "Accounting for Real Estate Time-sharing Transactions" which was issued by the American Institute of Certified Public Accountants. The initial adoption of SOP 04-2 in our 2006 first quarter, which we reported as a cumulative effect of change in accounting principle in our Consolidated Statement of Income, resulted in a non-cash after-tax charge of \$105 million. As a result of tax rate adjustments in the 2006 fourth quarter, we reduced the tax benefit associated with the initial adoption from \$68 million to \$64 million. Accordingly, the after-tax impact of the adoption is \$109 million.
- (9) All share and per share amounts reflect the June 9, 2006, two-for-one stock split effected in the form of a stock dividend.

MARRIOTT INTERNATIONAL, INC.  
Business Segments

In 2006, the company analyzed its internal reporting process and implemented changes in the fourth quarter that were

designed to improve efficiency. As part of this process, we evaluated the impact on segment reporting and made certain changes that were in accordance with U.S. generally accepted accounting principles. Accordingly, we now report six operating segments as compared to five before the change and no longer allocate indirect administrative expenses to our segments.

The company is a diversified hospitality company with operations in six business segments:

-- North American Full-Service Lodging, which includes the Marriott Hotels & Resorts, Marriott Conference Centers, JW Marriott Hotels & Resorts, Renaissance Hotels & Resorts, and Renaissance ClubSport brands located in the continental United States and Canada;

-- North American Limited-Service Lodging, which includes the Courtyard, Fairfield Inn, SpringHill Suites, Residence Inn, TownePlace Suites and Marriott ExecuStay brands located in the continental United States and Canada;

-- International Lodging, which includes the Marriott Hotels & Resorts, JW Marriott Hotels & Resorts, Renaissance Hotels & Resorts, Courtyard and Marriott Executive Apartments brands located outside the continental United States and Canada;

-- Luxury Lodging, which includes The Ritz-Carlton and Bulgari Hotels & Resorts brands worldwide;

-- Timeshare, which includes the development, marketing, operation and sale of timeshare, fractional and whole ownership properties under the Marriott Vacation Club, The Ritz-Carlton Club, Grand Residences by Marriott and Horizons by Marriott Vacation Club brands worldwide; and

-- Synthetic Fuel, which includes our interest in the operation of coal- based synthetic fuel production facilities.

MARRIOTT INTERNATIONAL, INC.  
Business Segments  
(\$ in millions)

	Sixteen Weeks Ended		Percent Better/ (Worse)
	December 29, 2006	December 30, 2005	
REVENUES			
North American Full-Service	\$1,586	\$1,596	(1)
North American Limited-Service	618	599	3
International	478	410	17
Luxury	450	412	9
Timeshare	644	488	32
	-----	-----	
Total lodging(1)	3,776	3,505	8
Synthetic Fuel	63	117	(46)
Other unallocated corporate	22	19	16
	-----	-----	
Total	\$3,861	\$3,641	6
	=====	=====	
NET INCOME			
North American Full-Service	\$141	\$126	12
North American Limited-Service	109	111	(2)
International	77	79	(3)
Luxury	19	13	46
Timeshare	100	78	28
	-----	-----	
Total lodging financial results(1)	446	407	10
Synthetic Fuel (after-tax)	1	33	(97)

Other unallocated corporate	(87)	(69)	(26)
Interest income and interest expense (excluding Synthetic Fuel)	(24)	(23)	(4)
Income taxes (excluding Synthetic Fuel)	(116)	(111)	(5)
	-----	-----	
Total	\$220	\$237	(7)
	=====	=====	

(1) We consider lodging revenues and lodging financial results to be meaningful indicators of our performance because they measure our growth in profitability as a lodging company and enable investors to compare the sales results of our lodging operations to those of other lodging companies.

MARRIOTT INTERNATIONAL, INC.  
Business Segments  
(\$ in millions)

	Fifty-Two Weeks Ended		Percent Better/ (Worse)
	December 29, 2006	December 30, 2005	
	-----	-----	-----
REVENUES			
North American Full-Service	\$5,196	\$5,116	2
North American Limited-Service	2,060	1,886	9
International	1,411	1,017	39
Luxury	1,423	1,333	7
Timeshare	1,840	1,721	7
	-----	-----	
Total lodging(1)	11,930	11,073	8
Synthetic Fuel	165	421	(61)
Other unallocated corporate	65	56	16
	-----	-----	
Total	\$12,160	\$11,550	5
	=====	=====	

NET INCOME

North American Full-Service	\$455	\$349	30
North American Limited-Service	380	303	25
International	237	133	78
Luxury	63	45	40
Timeshare	280	271	3
	-----	-----	
Total lodging financial results(1)	1,415	1,101	29
Synthetic Fuel (after-tax)	5	125	(96)
Other unallocated corporate	(251)	(219)	(15)
Interest income and interest expense (excluding Synthetic Fuel)	(72)	(55)	(31)
Income taxes (excluding Synthetic Fuel)	(380)	(284)	(34)
	-----	-----	
Total	\$717	\$668	7
	=====	=====	

(1) We consider lodging revenues and lodging financial results to be meaningful indicators of our performance because they measure our growth in profitability as a lodging company and enable investors to compare the sales results of our lodging operations to those of other lodging companies.

MARRIOTT INTERNATIONAL, INC.

Total Lodging Products(1)

Brand	Number of Properties			Number of Rooms/Suites		
	vs.			vs.		
	Dec. 29, 2006	Dec. 30, 2005	Dec. 30, 2005	Dec. 29, 2006	Dec. 30, 2005	Dec. 30, 2005
-----						
Domestic Full-Service						
-----						
Marriott Hotels & Resorts	340	332	8	136,097	133,534	2,563
Renaissance Hotels & Resorts	65	67	(2)	25,106	25,431	(325)
Domestic Limited-Service						
-----						
Courtyard	650	623	27	91,226	87,539	3,687
Fairfield Inn	513	519	(6)	46,030	47,440	(1,410)
SpringHill Suites	152	136	16	17,684	15,878	1,806
Residence Inn	494	473	21	58,973	56,204	2,769
TownePlace Suites	123	122	1	12,368	12,303	65
International						
-----						
Marriott Hotels & Resorts	179	175	4	51,307	49,921	1,386
Renaissance Hotels & Resorts	71	70	1	23,120	22,801	319
Courtyard	83	69	14	14,300	12,130	2,170
Fairfield Inn	5	5	-	559	559	-
SpringHill Suites	1	1	-	124	124	-
Residence Inn	17	17	-	2,313	2,240	73
Marriott Executive Apartments	18	17	1	3,027	2,852	175
Ramada	2	3	(1)	332	532	(200)
Luxury						
-----						
Ritz-Carlton - North America	35	35	-	11,616	11,616	-
Ritz-Carlton - International	25	24	1	7,790	7,669	121
Bulgari Hotels & Resorts	2	1	1	117	58	59
Timeshare(2)						
-----						
Marriott Vacation Club	45	44	1	10,512	9,401	1,111
The Ritz-Carlton Club	7	4	3	546	292	254
Grand Residences by Marriott	3	2	1	313	313	-
Horizons by Marriott Vacation Club	2	2	-	372	328	44
-----						
Total	2,832	2,741	91	513,832	499,165	14,667
=====						

Number of Timeshare Interval, Fractional and Whole  
Ownership Resorts(2)

	Total(3) -----	In Active Sales -----
100% Company-Developed -----		
Marriott Vacation Club	44	23
The Ritz-Carlton Club	3	2
Grand Residences by Marriott	3	3
Horizons by Marriott Vacation Club	2	2
Joint Ventures -----		
Marriott Vacation Club	1	1
The Ritz-Carlton Club	4	4
Total	57 ----- =====	35 ----- =====

- (1) Total Lodging Products excludes the 2,046 corporate housing rental units.
- (2) Includes products in active sales which may not be ready for occupancy.
- (3) Includes resorts that are in active sales as well as those that are sold out.

Marriott International, Inc.  
Key Lodging Statistics

Comparable Company-Operated North American Properties  
-----

Sixteen Weeks Ended December 29, 2006 and December 30, 2005  
-----

	REVPAR -----		Occupancy -----		Average Daily Rate -----	
Brand	2006	vs. 2005	2006	vs. 2005	2006	vs. 2005
-----						
Marriott Hotels & Resorts	\$123.11	7.9%	70.1%	-0.9% pts.	\$175.71	9.3%
Renaissance Hotels & Resorts	\$117.14	4.3%	69.2%	-1.7% pts.	\$169.29	6.8%
Composite North American Full-Service(1)	\$122.15	7.3%	69.9%	-1.1% pts.	\$174.69	8.9%
The Ritz-Carlton(2)	\$219.04	9.5%	69.4%	0.4% pts.	\$315.47	8.9%
Composite North American Full-Service & Luxury(3)	\$131.71	7.6%	69.9%	-0.9% pts.	\$188.50	9.1%
Residence Inn	\$88.36	2.9%	74.0%	-4.8% pts.	\$119.33	9.7%
Courtyard	\$82.23	8.4%	67.9%	-1.1% pts.	\$121.15	10.3%
TownePlace Suites	\$56.19	5.6%	70.2%	-3.5% pts.	\$80.08	10.8%
SpringHill Suites	\$70.49	3.5%	68.2%	-4.0% pts.	\$103.39	9.6%
Composite North American Limited-Service(4)	\$81.40	6.4%	69.7%	-2.4% pts.	\$116.86	10.1%



Composite - All(5)                    \$110.23   7.2%   69.8%   -1.6% pts.   \$157.97   9.7%

-----  
 Comparable Systemwide North American Properties  
 -----

Sixteen Weeks Ended December 29, 2006 and December 30, 2005  
 -----

Brand	REVPAR		Occupancy		Average Daily Rate	
	-----		-----		-----	
	2006	vs. 2005	2006	vs. 2005	2006	vs. 2005
Marriott Hotels & Resorts	\$108.59	7.0%	68.5%	-0.6% pts.	\$158.60	7.9%
Renaissance Hotels & Resorts	\$108.80	5.8%	69.7%	-0.4% pts.	\$156.13	6.5%
Composite North American Full-Service(1)	\$108.62	6.9%	68.7%	-0.5% pts.	\$158.22	7.7%
The Ritz-Carlton(2)	\$219.04	9.5%	69.4%	0.4% pts.	\$315.47	8.9%
Composite North American Full-Service & Luxury(3)	\$115.49	7.2%	68.7%	-0.5% pts.	\$168.10	7.9%
Residence Inn	\$86.47	5.2%	75.6%	-2.5% pts.	\$114.42	8.7%
Courtyard	\$81.88	7.7%	69.3%	-1.0% pts.	\$118.20	9.3%
Fairfield Inn	\$55.23	8.1%	67.0%	-0.5% pts.	\$82.46	8.9%
TownePlace Suites	\$57.67	6.4%	71.5%	-2.6% pts.	\$80.69	10.3%
SpringHill Suites	\$70.01	6.0%	71.0%	-2.2% pts.	\$98.65	9.2%
Composite North American Limited-Service(4)	\$75.35	6.8%	70.7%	-1.5% pts.	\$106.61	9.1%
Composite - All(5)	\$91.49	7.0%	69.9%	-1.1% pts.	\$130.92	8.6%

- (1) Includes the Marriott Hotels & Resorts and Renaissance Hotels & Resorts brands.
- (2) Statistics for The Ritz-Carlton are for September through December.
- (3) Includes the Marriott Hotels & Resorts, Renaissance Hotels & Resorts and The Ritz-Carlton brands.
- (4) Includes the Courtyard, Residence Inn, TownePlace Suites, Fairfield Inn and SpringHill Suites brands.
- (5) Includes the Marriott Hotels & Resorts, Renaissance Hotels & Resorts, The Ritz-Carlton, Residence Inn, Courtyard, Fairfield Inn, TownePlace Suites, and SpringHill Suites brands.

Marriott International, Inc.  
 Key Lodging Statistics

-----  
 Comparable Company-Operated North American Properties  
 -----

Fifty-Two Weeks Ended December 29, 2006 and December 30, 2005  
 -----

Brand	REVPAR		Occupancy		Average Daily Rate	
	-----		-----		-----	
	2006	vs. 2005	2006	vs. 2005	2006	vs. 2005
Marriott Hotels & Resorts	\$121.58	8.3%	72.3%	-0.6% pts.	\$168.11	9.1%
Renaissance Hotels &						

Resorts	\$118.57	9.6%	72.8%	0.6% pts.	\$162.96	8.7%
Composite North American						
Full-Service(1)	\$121.10	8.5%	72.4%	-0.4% pts.	\$167.27	9.0%
The Ritz-Carlton(2)	\$223.88	10.3%	72.9%	2.1% pts.	\$307.20	7.1%
Composite North American						
Full-Service & Luxury(3)	\$130.52	8.7%	72.4%	-0.1% pts.	\$180.17	8.9%
Residence Inn	\$92.35	6.8%	78.3%	-1.8% pts.	\$117.99	9.2%
Courtyard	\$84.62	10.3%	70.9%	-0.4% pts.	\$119.30	10.9%
TownePlace Suites	\$59.28	10.4%	75.3%	-0.3% pts.	\$78.68	10.9%
SpringHill Suites	\$74.42	7.8%	72.3%	-2.0% pts.	\$102.86	10.7%
Composite North American						
Limited-Service(4)	\$84.41	9.1%	73.3%	-0.8% pts.	\$115.24	10.4%
Composite - All(5)	\$110.74	8.9%	72.8%	-0.4% pts.	\$152.14	9.5%

Comparable Systemwide North American Properties

Fifty-Two Weeks Ended December 29, 2006 and December 30, 2005

Brand	REVPAR		Occupancy		Average Daily Rate	
	-----		-----		-----	
	2006	vs. 2005	2006	vs. 2005	2006	vs. 2005
Marriott Hotels & Resorts	\$109.48	8.6%	70.9%	0.2% pts.	\$154.37	8.3%
Renaissance Hotels & Resorts	\$109.75	10.0%	72.2%	1.1% pts.	\$151.91	8.4%
Composite North American						
Full-Service(1)	\$109.52	8.9%	71.1%	0.3% pts.	\$153.99	8.3%
The Ritz-Carlton(2)	\$223.88	10.3%	72.9%	2.1% pts.	\$307.20	7.1%
Composite North American						
Full-Service & Luxury(3)	\$116.11	9.0%	71.2%	0.5% pts.	\$163.03	8.3%
Residence Inn	\$90.15	7.6%	79.2%	-0.5% pts.	\$113.85	8.2%
Courtyard	\$84.57	9.7%	72.5%	0.1% pts.	\$116.67	9.5%
Fairfield Inn	\$58.01	10.6%	70.7%	1.0% pts.	\$82.05	9.1%
TownePlace Suites	\$60.35	9.9%	75.7%	-0.2% pts.	\$79.69	10.2%
SpringHill Suites	\$73.16	10.0%	74.1%	0.2% pts.	\$98.76	9.8%
Composite North American						
Limited-Service(4)	\$78.34	9.2%	74.2%	0.1% pts.	\$105.65	9.0%
Composite - All(5)	\$93.47	9.1%	73.0%	0.3% pts.	\$128.07	8.7%

- (1) Includes the Marriott Hotels & Resorts and Renaissance Hotels & Resorts brands.
- (2) Statistics for The Ritz-Carlton are for January through December.
- (3) Includes the Marriott Hotels & Resorts, Renaissance Hotels & Resorts and The Ritz-Carlton brands.
- (4) Includes the Courtyard, Residence Inn, TownePlace Suites, Fairfield Inn and SpringHill Suites brands.
- (5) Includes the Marriott Hotels & Resorts, Renaissance Hotels & Resorts, The Ritz-Carlton, Residence Inn, Courtyard, Fairfield Inn, TownePlace Suites, and SpringHill Suites brands.

Marriott International, Inc.  
Key Lodging Statistics

-----  
Four Months Ended December 31, 2006 and December 31, 2005  
-----

Region	REVPAR		Occupancy		Average Daily Rate	
	-----		-----		-----	
	2006	vs. 2005	2006	vs. 2005	2006	vs. 2005
-----						
Caribbean & Latin America	\$112.38	11.2%	71.4%	-0.6% pts.	\$157.41	12.1%
Continental Europe	\$115.86	8.4%	75.3%	2.1% pts.	\$153.93	5.4%
United Kingdom	\$194.78	13.1%	80.9%	3.7% pts.	\$240.89	8.0%
Middle East & Africa	\$103.95	10.6%	66.8%	0.5% pts.	\$155.71	9.8%
Asia Pacific(2)	\$106.40	13.0%	76.1%	0.2% pts.	\$139.90	12.7%
Regional Composite(3)	\$117.34	10.9%	74.9%	0.9% pts.	\$156.59	9.6%
International Luxury(4)	\$191.52	16.8%	74.8%	3.9% pts.	\$256.05	10.7%
Total International(5)	\$122.16	11.4%	74.9%	1.1% pts.	\$163.04	9.9%
Worldwide(6)	\$113.52	8.5%	71.2%	-0.8% pts.	\$159.44	9.7%

Comparable Systemwide International Properties(1)

-----  
Four Months Ended December 31, 2006 and December 31, 2005  
-----

Region	REVPAR		Occupancy		Average Daily Rate	
	-----		-----		-----	
	2006	vs. 2005	2006	vs. 2005	2006	vs. 2005
-----						
Caribbean & Latin America	\$102.83	12.2%	70.6%	-1.0% pts.	\$145.68	13.8%
Continental Europe	\$115.24	8.8%	73.0%	0.6% pts.	\$157.95	7.8%
United Kingdom	\$168.15	11.8%	77.8%	2.6% pts.	\$216.14	8.0%
Middle East & Africa	\$97.92	8.4%	67.0%	-0.7% pts.	\$146.24	9.6%
Asia Pacific(2)	\$108.32	11.2%	76.8%	0.2% pts.	\$141.13	10.9%
Regional Composite(3)	\$114.88	10.3%	74.2%	0.2% pts.	\$154.78	10.0%
International Luxury(4)	\$191.52	16.8%	74.8%	3.9% pts.	\$256.05	10.7%
Total International(5)	\$118.95	10.8%	74.2%	0.4% pts.	\$160.20	10.2%
Worldwide(6)	\$96.17	7.8%	70.6%	-0.8% pts.	\$136.17	9.0%

(1) International financial results are reported on a period basis, while International statistics are reported on a monthly basis. Statistics are in constant dollars for September through December. Excludes North America (except for Worldwide).

(2) Does not include Hawaii.

(3) Regional information includes the Marriott Hotels & Resorts, Renaissance Hotels & Resorts and Courtyard brands. Includes Hawaii.

(4) International Luxury includes The Ritz-Carlton properties outside of North America and Bulgari Hotels & Resorts.

- (5) Includes Regional Composite, The Ritz-Carlton International and Bulgari Hotels & Resorts brands.
- (6) Includes international statistics for the four calendar months ended December 31, 2006 and December 31, 2005, and North American statistics for the sixteen weeks ended December 29, 2006 and December 30, 2005. Includes the Marriott Hotels & Resorts, The Ritz-Carlton, Bulgari Hotels & Resorts, Renaissance Hotels & Resorts, Residence Inn, Courtyard, TownePlace Suites, Fairfield Inn and SpringHill Suites brands.

Marriott International, Inc.  
Key Lodging Statistics

Comparable Company-Operated International Properties(1)

Twelve Months Ended December 31, 2006 and December 31, 2005

Region	REVPAR		Occupancy		Average Daily Rate	
	2006	vs. 2005	2006	vs. 2005	2006	vs. 2005
Caribbean & Latin America	\$119.81	12.0%	74.9%	1.5% pts.	\$159.93	9.7%
Continental Europe	\$106.95	9.6%	72.6%	2.0% pts.	\$147.28	6.6%
United Kingdom	\$179.44	14.6%	79.6%	3.5% pts.	\$225.38	9.5%
Middle East & Africa	\$98.58	10.5%	68.9%	-0.3% pts.	\$143.12	11.0%
Asia Pacific(2)	\$96.28	12.7%	75.8%	1.0% pts.	\$127.09	11.3%
Regional Composite(3)	\$110.53	11.4%	74.6%	1.3% pts.	\$148.13	9.5%
International Luxury(4)	\$173.35	9.1%	71.7%	-0.1% pts.	\$241.90	9.2%
Total International(5)	\$114.61	11.1%	74.4%	1.2% pts.	\$153.99	9.4%
Worldwide(6)	\$111.75	9.5%	73.2%	0.0% pts.	\$152.63	9.5%

Comparable Systemwide International Properties(1)

Twelve Months Ended December 31, 2006 and December 31, 2005

Region	REVPAR		Occupancy		Average Daily Rate	
	2006	vs. 2005	2006	vs. 2005	2006	vs. 2005
Caribbean & Latin America	\$110.11	9.9%	73.0%	0.5% pts.	\$150.93	9.2%
Continental Europe	\$106.53	10.2%	70.7%	1.9% pts.	\$150.58	7.2%
United Kingdom	\$153.94	13.3%	75.1%	3.1% pts.	\$204.99	8.6%
Middle East & Africa	\$93.05	10.3%	69.0%	-0.7% pts.	\$134.95	11.5%
Asia Pacific(2)	\$98.46	11.2%	76.2%	0.9% pts.	\$129.26	9.8%
Regional Composite(3)	\$108.32	10.7%	73.6%	1.1% pts.	\$147.12	9.0%

International Luxury(4)	\$173.35	9.1%	71.7%	-0.1% pts.	\$241.90	9.2%
Total International(5)	\$111.78	10.5%	73.5%	1.0% pts.	\$152.02	9.0%
Worldwide(6)	\$96.39	9.4%	73.1%	0.4% pts.	\$131.92	8.8%

- (1) International financial results are reported on a period basis, while International statistics are reported on a monthly basis. Statistics are in constant dollars for January through December. Excludes North America (except for Worldwide).
- (2) Does not include Hawaii.
- (3) Regional information includes the Marriott Hotels & Resorts, Renaissance Hotels & Resorts and Courtyard brands. Includes Hawaii.
- (4) International Luxury includes The Ritz-Carlton properties outside of North America and Bulgari Hotels & Resorts.
- (5) Includes Regional Composite, The Ritz-Carlton International and Bulgari Hotels & Resorts brands.
- (6) Includes international statistics for the twelve calendar months ended December 31, 2006 and December 31, 2005, and North American statistics for the fifty-two weeks ended December 29, 2006 and December 30, 2005. Includes the Marriott Hotels & Resorts, The Ritz-Carlton, Bulgari Hotels & Resorts, Renaissance Hotels & Resorts, Residence Inn, Courtyard, TownePlace Suites, Fairfield Inn and SpringHill Suites brands.

MARRIOTT INTERNATIONAL, INC.  
Non-GAAP Financial Measures

In our press release and schedules, and related conference call, we report certain financial measures that are not prescribed or authorized by United States generally accepted accounting principles ("GAAP"). We discuss management's reasons for reporting these non-GAAP measures below, and the tables on the following pages reconcile the most directly comparable generally accepted accounting principle measures to the non-GAAP measures (identified by a double asterisk on the following pages) that we refer to in our press release. Although management evaluates and presents these non-GAAP measures for the reasons described below, please be aware that these non-GAAP measures are not alternatives to revenue, operating income, income from continuing operations, net income, earnings per share or any other comparable operating measure prescribed by GAAP. In addition, these non-GAAP financial measures may be calculated and/or presented differently than measures with the same or similar names that are reported by other companies, and as a result, the non-GAAP measures we report may not be comparable to those reported by others.

**Synthetic Fuel.** We do not consider the Synthetic Fuel segment to be related to our core business, which is lodging. In addition, management expects the Synthetic Fuel segment will no longer have a material impact on our business after the end of 2007, when the Internal Revenue Code provision which provides for synthetic fuel tax credits expires. Accordingly, our management evaluates non-GAAP measures which exclude the impact of our Synthetic Fuel segment because those measures allow for period-over-period comparisons of our on-going core lodging operations. In addition, these non-GAAP measures facilitate management's comparison of our results with the results of other lodging companies.

**CTF transaction.** Some of the non-GAAP measures are further adjusted to exclude the impact of the \$94 million pre-tax charge (2005 second quarter) associated with the agreements we entered into with CTF Holdings Ltd. and its affiliates ("the CTF transaction"). That charge was primarily non-cash and primarily due to the write-off of deferred contract acquisition costs associated with the termination of management agreements. GAAP reporting for the CTF transaction charge does not reflect the fact that the company entered into new management agreements as part of the CTF transaction, which substantially replaced the terminated management agreements. Accordingly, our management evaluates the non-GAAP measures which exclude the CTF transaction charge because those measures allow for period-over-period comparisons relative to our on-going core lodging operations before material charges, and in particular because those non-GAAP measures recognize the new management agreements that were entered into as part of the CTF transaction and the resulting continuity of management for the hotels in question. In addition, these non-GAAP measures facilitate management's comparison of our results with the results of other lodging companies.

Leveraged lease impairment charge. Management evaluates non-GAAP measures that exclude the \$17 million leveraged lease impairment charge recorded in the 2005 third quarter in order to better assess the period-over-period performance of our ongoing core operating business. Management does not consider the leveraged lease investment to be related to our core lodging business. In addition, non-GAAP measures which exclude these non-lodging items facilitate management's comparison of our results with the results of other lodging companies.

Return on Invested Capital. We calculate return on invested capital ("ROIC") excluding our synthetic fuel operation as earnings before income taxes and interest expense (EBIT), excluding our synthetic fuel operation, divided by average capital investment, excluding our Synthetic Fuel segment. We exclude our synthetic fuel operations for the reasons noted above in the "Synthetic Fuel" caption. We consider ROIC excluding our synthetic fuel operation to be a meaningful indicator of our operating performance, and we evaluate this financial measure because it measures how effectively we use the money invested in our lodging operations.

Timeshare Sales and Services Revenue excluding Note Sale Gains. At the beginning of our 2006 fiscal year, we adopted Statement of Position 04-2, "Accounting for Real Estate Time-Sharing Transactions," ("SOP 04-2") as issued by the American Institute of Certified Public Accountants. During 2006, the American Resort Development Association, a timeshare trade association of which we are a member, and the Staff of the Securities and Exchange Commission had communications regarding SOP 04-2 and the income statement presentation of timeshare note securitizations gains. As a result of those communications, for 2006 we reflect Timeshare segment note securitization gains totaling \$77 million for 2006 in our "Timeshare sales and services" revenue caption in our Consolidated Statement of Income, while for 2005 we reflect Timeshare segment note securitization gains totaling \$69 million for 2005 in our "Gains and other income" caption. Management considers Timeshare Sales and Services Revenue Excluding Note Sale Gains to be a meaningful indicator of the performance of our Timeshare segment, as it allows for the period-over-period analysis of the revenues from our Timeshare business on a comparable basis.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and Adjusted EBITDA. Our management considers earnings before interest, taxes, depreciation and amortization to be an indicator of operating performance because it can be used to measure our ability to service debt, fund capital expenditures, and expand our business. For the reasons noted above in the "Synthetic Fuel," "CTF Transaction" and "Leveraged Lease Impairment Charge," captions, our management also evaluates Adjusted EBITDA.

MARRIOTT INTERNATIONAL, INC.  
Non-GAAP Financial Measure Reconciliation  
Operating Income Excluding Synthetic Fuel  
(\$ in millions)

	Fiscal Year 2006				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Operating income as reported	\$203	\$274	\$229	\$305	\$1,011
Add back: Synthetic Fuel operating loss (income)	27	18	(2)	33	76
Operating income excluding Synthetic Fuel**	\$230	\$292	\$227	\$338	\$1,087

	Fiscal Year 2005				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Operating income as reported	\$158	\$41	\$135	\$221	\$555
Add back: Synthetic Fuel operating loss	45	36	34	29	144

Operating income excluding Synthetic Fuel**	\$203	\$77	\$169	\$250	\$699
	=====	=====	=====	=====	=====

\*\* Denotes non-GAAP financial measures.

MARRIOTT INTERNATIONAL, INC.  
Non-GAAP Financial Measure Reconciliation  
Measures that Exclude Synthetic Fuel  
(in millions, except per share amounts)

	Fourth Quarter 2006			Fourth Quarter 2005			
	As Reported	Synthetic Fuel Impact	Excluding Synthetic Fuel**	As Reported	Synthetic Fuel Impact	Excluding Synthetic Fuel**	Percent Better/ (Worse) Excluding Synthetic Fuel
Operating income (loss)	\$305	\$(33)	\$338	\$221	\$(29)	\$250	35
Gains and other income (expense)	4	(17)	21	84	12	72	(71)
Interest income and interest expense	(27)	(3)	(24)	(23)	-	(23)	(4)
Equity in earnings	1	-	1	18	-	18	(94)
Income (losses) before income taxes and minority interest	283	(53)	336	300	(17)	317	6
Tax (provision)/ benefit	(97)	19	(116)	(109)	2	(111)	(5)
Tax credits	34	34	-	33	33	-	-
Total tax (provision)/ benefit	(63)	53	(116)	(76)	35	(111)	(5)
Minority interest	-	1	(1)	13	15	(2)	50
Net Income	\$220	\$1	\$219	\$237	\$33	\$204	7





taxes and minority interest	997	(95)	1,092	717	(112)	829	32
	-----	-----	-----	-----	-----	-----	
Tax (provision)/ benefit	(348)	32	(380)	(261)	23	(284)	(34)
Tax credits	62	62	-	167	167	-	-
	-----	-----	-----	-----	-----	-----	
Total tax (provision)/ benefit	(286)	94	(380)	(94)	190	(284)	(34)
	-----	-----	-----	-----	-----	-----	
Minority interest	6	6	-	45	47	(2)	100
	-----	-----	-----	-----	-----	-----	
Income from continuing operations	\$717	\$5	\$712	\$668	\$125	\$543	31
	=====	=====	=====	=====	=====	=====	
Diluted shares	430.2	430.2	430.2	462.3	462.3	462.3	
Earnings per share from continuing opera- tions - dilu- ted(1)	\$1.66	\$0.01	\$1.65	\$1.45	\$0.27	\$1.17	41
Tax rate	28.7%		34.8%	13.1%		34.3%	

\*\* Denotes non-GAAP financial measures.

(1) For 2005, earnings per share as reported less earnings per share from Synthetic Fuel do not sum to earnings per share excluding Synthetic Fuel due to rounders.

MARRIOTT INTERNATIONAL, INC.  
Non-GAAP Financial Measure Reconciliation  
Measures that Exclude Synthetic Fuel, CTF Transaction, and Leveraged Lease  
Charge  
(in millions, except per share amounts)

Fiscal Year 2005

As	Synthetic Fuel	CTF Trans-	Leveraged Lease	Excluding Synthetic Fuel, CTF Transaction and Leveraged Lease
-----				

	Reported	Impact	action	Charge	Charge**
	-----	-----	-----	-----	-----
Operating income (loss)	\$555	\$(144)	\$(94)	\$-	\$793
Gains and other income	181	32	-	-	149
Interest income, provision for loan losses, and interest expense	(55)	-	-	(17)	(38)
Equity in earnings	36	-	-	-	36
	-----	-----	-----	-----	-----
Income (loss) from continuing operations before income taxes and minority interest	717	(112)	(94)	(17)	940
	-----	-----	-----	-----	-----
Tax (provision)/benefit	(261)	23	32	6	(322)
Tax credits	167	167	-	-	-
	-----	-----	-----	-----	-----
Total tax (provision)/ benefit	(94)	190	32	6	(322)
	-----	-----	-----	-----	-----
Minority interest	45	47	-	-	(2)
	-----	-----	-----	-----	-----
Income (loss) from continuing operations	\$668	\$125	\$(62)	\$(11)	\$616
	=====	=====	=====	=====	=====
Diluted shares	462.3	462.3	462.3	462.3	462.3
Earnings (losses) per share from continuing operations - diluted	\$1.45	\$0.27	\$(0.13)	\$(0.02)	\$1.33
Tax rate	13.1%				34.3%

\*\* Denotes non-GAAP financial measures.

Marriott International, Inc.  
Non-GAAP Financial Measure Reconciliation  
Return on Invested Capital  
(\$ in millions)

The reconciliation of income from continuing operations to earnings before income taxes and interest expense is as follows:

	Fiscal Year 2006		
	As Reported	Synthetic Fuel Impact(1)	Excluding Synthetic Fuel**
	-----	-----	-----
Income from continuing operations	\$717	\$5	\$712
Add:			

Provision (benefit) for income taxes	286	(94)	380
Tax benefit included in minority interest	-	-	-
Interest expense	124	-	124
Timeshare interest(2)	21	-	21
	-----	-----	-----
Earnings (losses) before income taxes and interest expense **	\$1,148	\$(89)	\$1,237
	=====	=====	=====

The reconciliation of assets to invested capital is as follows:

	Year End 2006			Year End 2005		
	As Reported	Fuel Impact(1)	Excluding Synthetic Fuel **	As Reported	Fuel Impact(1)	Excluding Synthetic Fuel**
	-----	-----	-----	-----	-----	-----
Assets	\$8,588	\$91	\$8,497	\$8,530	\$103	\$8,427
Add:						
Cumulative goodwill amortization	128	-	128	128	-	128
Current liabilities - discontinued operations	-	-	-	-	-	-
Less:						
Current liabilities, net of current portion of long-term debt	(2,507)	(55)	(2,452)	(2,077)	(54)	(2,023)
Assets - discontinued operations	-	-	-	-	-	-
Deferred tax assets, net	(865)	-	(865)	(765)	-	(765)
Timeshare capitalized interest	(19)	-	(19)	(20)	-	(20)
	-----	-----	-----	-----	-----	-----
Invested capital **	\$5,325	\$36	\$5,289	\$5,796	\$49	\$5,747
	=====	=====	=====	=====	=====	=====

Average capital investment ** (3)	\$5,561	\$43	\$5,518
	=====	=====	=====

Return on invested capital \*\* 22%

\*\* Denotes a non-GAAP financial measure.

1. We acquired the synthetic fuel operations in the 2001 fourth quarter and began operating the facilities in the 2002 first quarter.
2. Timeshare interest represents previously capitalized interest that is a component of product cost.
3. Calculated as "Invested capital" for the current year and prior year, divided by two.

Marriott International, Inc.  
 Non-GAAP Financial Measure Reconciliation  
 Return on Invested Capital  
 (\$ in millions)

The reconciliation of income from continuing operations to earnings before income taxes and interest expense is as follows:

	Fiscal Year 2003		
	As Reported	Synthetic Fuel Impact(1)	Excluding Synthetic Fuel**
Income from continuing operations	\$476	\$96	\$380
Add:			
Provision (benefit) for income taxes	(43)	(245)	202
Tax benefit included in minority interest	94	94	-
Interest expense	110	-	110
Timeshare interest(2)	21	-	21
Earnings (losses) before income taxes and interest expense **	\$658	\$(55)	\$713

The reconciliation of assets to invested capital is as follows:

	Year End 2003			Year End 2002		
	As Reported	Synthetic Fuel Impact(1)	Excluding Synthetic Fuel **	As Reported	Synthetic Fuel Impact(1)	Excluding Synthetic Fuel**
Assets	\$8,177	\$83	\$8,094	\$8,296	\$59	\$8,237
Add:						
Cumulative goodwill amortization	128	-	128	128	-	128
Current liabilities - discontinued operations	-	-	-	119	-	119

Less:						
Current						
liabilities,						
net of current						
portion of						
long-term						
debt	(1,779)	(16)	(1,763)	(2,043)	(14)	(2,029)
Assets -						
discontinued						
operations	-	-	-	(633)	-	(633)
Deferred tax						
assets, net	(466)	-	(466)	(369)	-	(369)
Timeshare						
capitalized						
interest	(22)	-	(22)	(26)	-	(26)
	-----	-----	-----	-----	-----	-----
Invested						
capital **	\$6,038	\$67	\$5,971	\$5,472	\$45	\$5,427
	=====	=====	=====	=====	=====	=====
Average						
capital						
invest-						
ment **(3)	\$5,755	\$56	\$5,699			
	=====	=====	=====			
Return on						
invested						
capital **			13%			

\*\* Denotes a non-GAAP financial measure.

1. We acquired the synthetic fuel operations in the 2001 fourth quarter and began operating the facilities in the 2002 first quarter.
2. Timeshare interest represents previously capitalized interest that is a component of product cost.
3. Calculated as "Invested capital" for the current year and prior year, divided by two.

MARRIOTT INTERNATIONAL, INC.  
Non-GAAP Financial Measure Reconciliation  
Timeshare Sales and Services Revenue Excluding Note Sale Gains  
(\$ in millions)

	Fiscal Year 2006				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
	-----	-----	-----	-----	-----
Timeshare sales and services revenue as reported	\$306	\$371	\$374	\$526	\$1,577
Less: Timeshare note sale gains	-	40	-	37	77
	-----	-----	-----	-----	-----
Timeshare sales and services revenue excluding note sale gains**	\$306	\$331	\$374	\$489	\$1,500

=====

Fiscal Year 2005

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Timeshare sales and services revenue as reported(1)	\$346	\$335	\$393	\$413	\$1,487

\*\* Denotes non-GAAP financial measures.

(1) Timeshare sales and services revenue as reported for 2005 does not include gains from the sale of timeshare notes.

MARRIOTT INTERNATIONAL, INC.  
Non-GAAP Financial Measure  
EBITDA and Adjusted EBITDA  
(\$ in millions)

Fiscal Year 2006

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Net income(1)	\$61	\$186	\$141	\$220	\$608
Cumulative effect of change in accounting principle	173	-	-	-	173
Interest expense	27	30	29	38	124
Tax provision	56	85	82	63	286
Tax benefit from cumulative effect of change in accounting principle(1)	(64)	-	-	-	(64)
Depreciation	34	34	36	51	155
Amortization	6	8	8	11	33
Less: Depreciation reimbursed by third-party owners	(4)	(4)	(4)	(6)	(18)
Interest expense from unconsolidated joint ventures	5	6	5	7	23
Depreciation and amortization from unconsolidated joint ventures	6	7	7	9	29
EBITDA**	\$300	\$352	\$304	\$393	\$1,349
Synthetic fuel adjustment	24	11	(4)	44	75
Adjusted EBITDA**	\$324	\$363	\$300	\$437	\$1,424
Increase over 2005 Adjusted EBITDA	17%	19%	12%	4%	12%

The following items make up the

Synthetic Fuel adjustment:

Pre-tax synthetic fuel operating losses/(income)	\$31	\$13	\$(2)	\$53	\$95
Pre-tax minority interest - synthetic fuel	(5)	-	-	(1)	(6)

Synthetic fuel depreciation	(2)	(2)	(2)	(8)	(14)
EBITDA adjustment for Synthetic Fuel	\$24	\$11	\$(4)	\$44	\$75

Fiscal Year 2005

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Net income	\$145	\$138	\$149	\$237	\$669
Interest expense	24	21	24	37	106
Tax provision (benefit) from continuing operations	5	(20)	33	76	94
Tax provision from discontinued operations	-	-	1	-	1
Depreciation	30	29	46	51	156
Amortization	7	7	7	7	28
Less: Depreciation reimbursed by third-party owners	-	-	(12)	(5)	(17)
Interest expense from unconsolidated joint ventures	11	6	4	8	29
Depreciation and amortization from unconsolidated joint ventures	12	9	7	11	39
EBITDA**	\$234	\$190	\$259	\$422	\$1,105
Synthetic fuel adjustment	42	22	(7)	(1)	56
Pre-tax gain from discontinued operations	-	-	(2)	-	(2)
Non-recurring charges -					
CTF Acquisition one-time charge	-	94	-	-	94
Leveraged lease charge	-	-	17	-	17
Adjusted EBITDA**	\$276	\$306	\$267	\$421	\$1,270

The following items make up the Synthetic Fuel adjustment:

Pre-tax synthetic fuel operating losses	\$54	\$28	\$13	\$17	\$112
Pre-tax minority interest - synthetic fuel	(10)	(4)	(18)	(15)	(47)
Synthetic fuel depreciation	(2)	(2)	(2)	(3)	(9)
EBITDA adjustment for Synthetic Fuel	\$42	\$22	\$(7)	\$(1)	\$56

\*\* Denotes non-GAAP financial measures.

(1) First Quarter results were restated to reflect a change in the tax rate associated with the cumulative effect of change in accounting principle.

IRPR#1

<http://www.prnewswire.com>

Copyright (C) 2007 PR Newswire. All rights reserved

News Provided by COMTEX